

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02

OMB-01 OIC-04 DRC-01 /199 W
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R 281917Z JAN 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6349

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 1 OF 2 EC BRUSSELS 0560

E.O. 11652: GDS

TAGS: ETRD, GATT, EEC, IT

SUBJ: TALK WITH ITALIAN PERMANENT REPRESENTATIVE ON
ITALIAN ARTICLE XXIV:6 CITRUS AND TOBACCO OFFER

REF: (A) ROME 780; (B) ROME 1136; (C) ROME 1186

1. SUMMARY. IN A DISCUSSION WITH AMBASSADOR GREENWALD
ON THE U.S. ARTICLE XXIV:6 REQUEST, ITALIAN PERMANENT
REPRESENTATIVE BOMBASSEI SAID THAT HE HAD ALREADY HEARD
THERE MIGHT BE SOME GIVE IN THE ITALIAN POSITION ON THE
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MONTHS COVERED BY THE LOWER CITRUS DUTIES. FERRARI-

AGGRADI HAD SAID NOTHING TO HIM ABOUT TOBACCO. HE THOUGHT THAT THE FRENCH RESTRICTION AGAINST FURTHER COMMUNITY OFFERS WOULD BE HARD TO SURMOUNT AND THAT FURTHER ITALIAN CONTRIBUTIONS WOULD BE DIFFICULT. NEVERTHELESS, HE PROMISED TO SPEAK BY TELEPHONE WITH FERRARI-AGGARDI ON BOTH CITRUS AND TOBACCO. IF ROME AGREES, AMBASSADOR BOMBASSEI SAID HE WOULD RAISE THE MATTER IN THE EC COMMITTEE OF PERMANENT REPRESENTATIVES. END SUMMARY.

2. ON JANUARY 28 AMBASSADOR GREENWALD EXPLAINED TO ITALIAN PERMANENT REPRESENTATIVE BOMBASSEI THE US VIEW OF THE CONVERSATIONS THAT HAD RECENTLY TAKEN PLACE BETWEEN ITALIAN OFFICIALS, INCLUDING MINISTER OF AGRICULTURE FERRARI-AGGRADI, AND AMBASSADORS MALMGREN AND VOLPE. AMBASSADOR GREENWALD SAID THAT THE US WAS APPRECIATIVE OF THE OFFER THAT MINISTER FERRARI-AGGRADI HAD MADE TO INFORM THE COMMUNITY THAT ITALY WAS READY TO RECONSIDER THE CITRUS AND TOBACCO ELEMENTS OF THE ARTICLE XXIV:6 OFFER. HOWEVER, THE UNITED STATES WAS CURIOUS WHY THE MINISTER HAD NOT BEEN ABLE TO CONVEY THIS MESSAGE WHILE IN BRUSSELS FOR THE EC COUNCIL SESSION (AGRICULTURE MINISTERS) LAST WEEK.

3. AMBASSADOR BOMBASSEI SAID THAT FERRARI-AGGRADI HAD NOT BROUGHT THE MATTER UP IN LAST WEEK'S COUNCIL BECAUSE THE ARTICLE XXIV:6 NEGOTIATIONS HAD ALWAYS BEEN HANDLED IN THE COUNCIL OF FOREIGN MINISTERS RATHER THAN THE AG MINS.

4. BOMBASSEI TOOK PRIDE IN THE FACT THAT THE ITALIAN PERMANENT DELEGATION TO THE EC AND THE MINISTRY OF FOREIGN AFFAIRS IN ROME HAD BEEN SUCCESSFUL IN ELIMINATING ITALIAN OPPOSITION TO A NUMBER OF PRODUCTS ON THE EC OFFER OF DECEMBER 13. ITALY HAD TRIED TO GIVE A GOOD EXAMPLE TO THE OTHER MEMBERS OF THE COMMUNITY AND HAD EVENTUALLY RESOLVED ITS PROBLEMS WITH ALL ITEMS EXCEPT CITRUS, TOBACCO AND KRAFT PAPER. AMBASSADOR BOMBASSEI SAID THAT UP UNTIL LAST WEEK HE FRANKLY BELIEVED THAT ITALY HAD DONE ALL THAT IT COULD POSSIBLY DO.
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5. TO BOMBASSEI'S SURPRISE, FERRARI-AGGRADI HAD SAID THAT HE WAS WILLING TO RECONSIDER THE TIME PERIOD FOR WHICH THE ORANGE OFFER WOULD BE VALID. HOWEVER, HE GAVE NO DETAILS. FERRARI-AGGRADI SAID NOTHING ABOUT TOBACCO. CITRUS IS INDEED WHOLLY WITHIN THE JURISDICTION OF FERRARI-AGGRADI BUT THERE ARE OTHER MINISTRIES SUCH AS THE MINISTRY OF FINANCE WHICH HAVE A VOICE ON TOBACCO.

BOMBASSEI SAID THAT HE HAD VERY SERIOUS DOUBTS ABOUT TOBACCO. (HE WAS ALSO DOUBTFUL ABOUT IMPROVEMENTS IN THE OFFER ON KRAFT LINER.)

6. BOMBASSEI RAISED A NUMBER OF PROBLEMS RELATED TO ITALIAN RECONSIDERATION OF THE ARTICLE XXIV/6 OFFERS. ITALY HAS ALREADY DONE MORE THAN ITS SHARE. IF OTHERS WERE WILLING TO DO AS MUCH, ITALY MIGHT BE ABLE TO GO A BIT FURTHER. HOWEVER, DURING THE EC COUNCIL AND PERMANENT REPRESENTATIVES' MEETINGS IN NOVEMBER AND DECEMBER, THE FRENCH HAD MADE IT PERFECTLY CLEAR THAT THE DECEMBER 13 OFFER WAS TO BE FINAL. THEIR WILLINGNESS TO GO ALONG WAS CONDITIONAL UPON NO ONE'S PROPOSING TO REOPEN THE QUESTION.

7. AMBASSADOR GREENWALD SAID THAT IT WOULD BE VERY HELPFUL IF ITALY EITHER IN THE COMMITTEE OF PERM REPS OR IN THE COUNCIL, COULD INITIATE A RECONSIDERATION OF THE COMMUNITY'S ARTICLE XXIV:6 OFFER. BOMBASSEI SEEMED TO BELIEVE THAT IT WAS MORE APPROPRIATE THAT THE COMMISSION REOPEN THE QUESTION BY INFORMING THE MEMBER STATES THAT THE COMMUNITY'S TRADING PARTNERS COULD NOT AGREE TO ACCEPT THE COMMUNITY'S DECEMBER 13 OFFER.

8. BOMBASSEI SAID, HOWEVER, THAT HE WOULD PERSONALLY SPEAK WITH FERRARI-AGGRADI ON THE TELEPHONE TO FIND OUT SPECIFICALLY WHAT ITALY WAS WILLING TO DO ON TOBACCO AND CITRUS. IF FERRARI-AGGRADI CONFIRMED THAT ITALY WAS WILLING TO REOPEN THE OFFER, BOMBASSEI SAID THAT HE WOULD RAISE THE MATTER IN THE COMMITTEE OF PERM REPS ON THE BASIS THAT, ALTHOUGH THE COMMUNITY'S DECEMBER 13 OFFER WAS "FINAL", THAT SHOULD NOT EXCLUDE SOME IMPROVEMENTS SUCH AS EXTENSION OF THE LOW DUTY PERIOD FOR

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CITRUS. BOMBASSEI SAID THAT HE WOULD KEEP AMBASSADOR GREENWALD POSTED ON DEVELOPMENTS.

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C O N F I D E N T I A L SECTION 2 OF 2 EC BRUSSELS 0560

9. AS A FINAL REMARK, BOMBASSEI SAID THAT EVEN THOUGH FERRARI-AGGRADI IN SPEAKING TO AMBASSADORS MALMGREN AND VOLPE SEEMED ENTHUSIASTIC ABOUT A RECONSIDERATION OF CITRUS AND TOBACCO CONCESSIONS, WE SHOULD NOT BE SURPRISED IF FERRARI-AGGRADI WERE MORE RESTRAINED IN AN INTERNAL ITALIAN DISCUSSION WITH BOMBASSEI.

10. COMMENT: BOMBASSEI DID NOT REFER EITHER DIRECTLY OR INDIRECTLY TO CABLES FROM FERRARI-AGGRADI ON ARTICLE XXIV:6 NEGOTIATIONS (REFTEL C), AND WE OBVIOUSLY COULD NOT ASK HIM DIRECTLY. THE CLEAR IMPRESSION HE LEFT WAS CONFIDENTIAL

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THAT THE ONLY COMMUNICATION ON THIS SUBJECT WAS THE CONVERSATION IN BRUSSELS WITH FERRARI-AGGRADI. BOMBASSEI'S ASSESSMENT OF THE DIFFICULTIES WITHIN THE COMMUNITY (INCLUDING THE ITALIAN "LACK OF ENTHUSIASM") FOR REOPENING ARTICLE XXIV:6 APPEARS REALISTIC. IF INSTRUCTED BY ROME, HE WILL RAISE THE MATTER IN THE PERMREP COMMITTEE (MOST LIKELY ONLY ON ORANGES) ASKING

OTHERS TO MAKE A SIMILAR EFFORT IN ORDER TO ACHIEVE
AGREEMENT WITH THE US. HE SEEMS TO ESTIMATE THE
CHANCES OF SUCCESS AS FAIRLY REMOTE IN THE PRESENT
CIRCUMSTANCES.GREENWALD

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